

STATE OF HAWAII  
Accounting Manual

Volume II: Budgetary Control Accounting  
Part 600: Disbursements

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SECTION 630: WARRANT ADJUSTMENTS

1. Purpose. WARRANT adjustments may be needed from time to time for the following purposes:
  - (a) To cancel a WARRANT.
  - (b) To stop payment on a WARRANT.
  - (c) To escheat a WARRANT.
  - (d) To reimburse a payee of a forged WARRANT.
  - (e) To issue a duplicate WARRANT.
  - (f) To void a WARRANT.
  - (g) To reimburse a WARRANT.
  - (h) To reimburse a payee after recovery is made on an altered WARRANT.
2. Explanation of WARRANT Adjustments. Brief explanations of the various types of WARRANT adjustments are presented below. Where detailed written procedures are required to process some types of adjustments, additional instructions are included in the following sections of this Manual.
  - (a) Cancellation of WARRANTS. A WARRANT may be cancelled because the payee is ineligible to receive payment, the payee's address or whereabouts is unknown, the payee is deceased, the payment is erroneous, etc. Funds applicable to a cancelled WARRANT are reverted to the departmental appropriation from which the WARRANT originated. Refer to Section 641 in this Manual concerning the use of the form, WARRANTS CANCELLED, SAFORM C-53, in processing cancellation of outstanding WARRANTS.
  - (b) Stop Payment WARRANTS. A stop payment of a WARRANT is necessitated because the WARRANT may have been lost, stolen, misplaced, destroyed, or otherwise not received by the payee. Refer to Section 632 in this Manual for processing stop payment WARRANTS, and to Sections 633 and 634 for requirements of the STOP PAYMENT NOTICE and BOND FOR LOST WARRANT forms, respectively.
  - (c) Escheated WARRANTS. An escheated WARRANT is a WARRANT that has been issued and has remained outstanding (that is, not presented for payment to the State Treasury) until the statutory void date. After the statutory void date, a WARRANT will not be paid by the State Treasury; such a WARRANT is deemed by statute to have been paid, and the amount of such an escheated WARRANT becomes a revenue to the State. Refer to Section 635 in this Manual for procedures in processing escheated WARRANTS.

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- (d) Forged WARRANTS. A forged WARRANT is a WARRANT that is reported as having the payee's endorsement forged. A duplicate WARRANT is issued if the amount of the warrant is recovered on the basis of the payee's AFFIDAVIT RELATIVE TO ALLEGED WRONG PAYMENT OF STATE OF HAWAII WARRANT.
- (e) Duplicate WARRANTS. A duplicate WARRANT is a WARRANT that is issued, based on a STOP PAYMENT NOTICE approved by the Comptroller, to replace a WARRANT that was previously issued and is currently outstanding. The original WARRANT may have been reported as being lost, stolen, missing, misplaced, destroyed, forged, altered, or otherwise not received by the payee. Refer to procedures in obtaining duplicate WARRANTS as documented in Section 632 of this Manual on STOP PAYMENT OF WARRANTS.
- (f) Voided WARRANTS. A voided WARRANT is a WARRANT that has the word "VOID" stamped on the face of the WARRANT as a result of any of the following reasons:
- (1) A duplicate WARRANT (refer to paragraph (e), above) was issued to replace the original WARRANT (voided) based on a STOP PAYMENT NOTICE or other authorizations.
  - (2) The WARRANT was escheated (refer to paragraph (c), above) based on a statutory void date.
  - (3) A completely new WARRANT was reissued (refer to paragraph (g), below) based on unpaid WARRANTS (voided) returned by payees.
  - (4) WARRANTS that are voided before they were ever issued due to:
    - Being mutilated, damaged, or otherwise not in good condition for processing (before, during, or after computer processing) as deemed appropriate by the data processing center.
    - Samples being removed from stocks and stored at the data processing center for use in DAGS Accounting Division's annual review and forms control requirements.
- (g) Reissued WARRANTS. A reissued WARRANT is a completely new WARRANT(S) (new WARRANT number) which replaces an outstanding WARRANT that has not been paid. A reissued WARRANT differs in other aspects from a duplicate WARRANT because:
- (1) The original WARRANT is returned by the payee, or by departmental representatives, because it is torn, mutilated, or otherwise not negotiable due to its poor physical condition.

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- (2) Two or more WARRANTS may be issued, totaling the exact amount of the original WARRANT, and WARRANTS may have names of different payees.
- (h) Altered WARRANTS. An altered WARRANT is a WARRANT where the name of the payee, the amount, or any other part of the WARRANT is changed by the payee (or endorser). After verification that alteration did occur, the altered amount of the paid WARRANT is recovered from the payee by the responsible bank; the bank reimburses the State for the amount paid by the State Treasury for the altered amount; and the State Treasury deposits the reimbursement and sends a copy of the TREASURY DEPOSIT RECEIPT to DAGS Accounting Division. When the copy of the TREASURY DEPOSIT RECEIPT is received, a duplicate WARRANT for the original amount is prepared by the Comptroller and issued to the payee (through the affected department, if appropriate).